AMENDMENTS TO THE CLAIMS

Please cancel claims 37, 39, 40, 43, and 45, and amend claims 38, 41, 42, 44, and 46, as follows.

- 1-37 (Cancelled)
- 38. (Currently Amended) The data unit of claim 37, A data card comprising:
- a rectangular, non-magnetic substrate including opposed
 first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a protective layer, and the protective layer includes at least two layers, wherein one of said layers includes a magnetically permeable, magnetically saturable material and another of said layers is a non-magnetic friction reducing layer formed over the magnetically permeable, magnetically saturable material,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

- 39-40. (Cancelled)
- 41. (Currently Amended) The data unit of claim-40, A data card comprising:
- a rectangular, non-magnetic substrate including opposed
 first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer,

wherein said protective coating comprises at least two layers, with a first one of the layers being formed of the magnetically permeable, magnetically saturable material and a second of the layers being a non-magnetic friction reducing layer formed over the magnetically permeable, magnetically saturable material, and

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

42. (Currently Amended) The data unit of claim 39, A data card comprising:

<u>a rectangular, non-magnetic substrate including opposed</u> first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer, and the protective layer includes includes a magnetically permeable, magnetically saturable material,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive

through said non-magnetic layer to produce a magnetic image field.

43. (Cancelled)

44. (Currently Amended) The data unit of claim 43, A method for reading a data card with a data processing station, the method comprising:

providing a data card including a rectangular, non-magnetic substrate including opposed first and second surfaces, and circular data storage region on one of the first and second surfaces, the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer that includes a magnetically permeable, magnetically saturable material;

providing a data processing station including at least one transducer capable of communicating signals with the data storage region; and

while communicating signals between the at least one transducer and the data storage region,

wherein the data storage region further comprises a nonmagnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

45. (Cancelled)

46. (Currently Amended) The method of claim 43, A method for reading a data card with a data processing station, the method comprising:

providing a data card including a rectangular, non-magnetic substrate including opposed first and second sides, and a circular data region at the first side of the substrate, wherein the data region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer that includes a magnetically permeable, magnetically saturable material;

providing a data processing station including at least one transducer capable of communicating signals with the data storage region; and

rotating the data card within the data processing station while communicating signals between the at least one transducer and the data storage region,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.